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Bulletin: 90-24, Agency Payroll Reports Produced During the Mid-Month Processing Cycle

Date: August 7, 1990

To: TSP Payroll Office Representatives
TSP Personnel Office Representatives
TSP Automated Data Processing Representatives

The purpose of this bulletin is to provide agency payroll office representatives with detailed information and sample copies of the new negative adjustment reports. These reports are produced by the Thrift Savings Plan System (TSPS) when negative adjustment records are processed during the mid-month processing cycle. See TSP Bulletin 90-22, New Procedures for Processing Negative Adjustment Records, dated August 7, 1990, for detailed information concerning these procedures. Each month, following the mid-month processing cycle, these new reports will be sent to agency payroll offices by the National Finance Center (NFC), the Plan's recordkeeper.

Negative adjustment records submitted by agency payroll offices are edited by the TSPS. If the records pass the initial TSPS edits, they are placed in a negative adjustment suspense file to be processed during a subsequent mid-month processing cycle. TSPS negative adjustment reports are produced for each Form TSP-2, Certification of Transfer of Funds and Journal Voucher, that transmits negative adjustment records that are accepted for processing. The report number on Form TSP-2 (Block 4) of the original journal voucher (JV), as well as the adjustment JV number (which is the same as the original JV number, except that the third digit is "A"), are included in the headings of each TSPS negative adjustment report. Reporting amounts processed for each JV separately will assist the agency in reconciling its accounting records.

I. Report TSPS 31507, Payroll Office Recap of Negative Adjustments Processed

- A. The purpose of Report TSPS 31507 is to provide a recap of all the negative adjustment records that were received and processed by the TSPS. It includes any amounts that reduce the amounts returned to the agency payroll office, as well as the reasons for the reduction (e.g., deleted records or amounts that are forfeited or reduced by negative earnings). See Attachment 1 for a sample of Report TSPS 31507.

B. Report TSPS 31507 is a critical component of the agency's accounting reconciliation process. There are eight columns on the report as follows:

1. **Column 1, Source.** This column identifies the contribution source that is being adjusted (i.e., employee, basic, or matching).
2. **Column 2, Adjustment Amount on Original JV.** The amounts reported in this column should be the same as the amounts on the payroll office's Form TSP-2 in Block 30, Employee Contributions; Block 32, Agency Automatic (1%) Contributions; Block 34, Agency Matching Contributions; and Block 38, Total.
3. **Column 3, Initial Amount Deleted.** The amounts in this column reflect those negative adjustment records that did not pass the initial TSPS edits and were deleted. These amounts are the same as the amounts for each contribution source in the Deleted column on Report TSPS 1702, Payroll Office Recap of Initial Journal Voucher Processing. (Report TSPS 1702 is produced by the TSPS and sent to agency payroll offices every time a Form TSP-2 is processed. It provides the payroll office with a recap of the contributions data that were processed and posted to participants' accounts.) The adjustment amount on the original JV is reduced by the amount deleted.
4. **Column 4, Mid-Month Amount Deleted.** The amounts in this column reflect those negative adjustment records that passed the initial TSPS edits but were deleted during the mid-month processing cycle. Report TSPS 31508, Report of Deleted Negative Adjustment Transactions, is attached to Report TSPS 31507. Report TSPS 31508 displays the negative adjustment record submitted by the payroll office and provides the reason each transaction was deleted. (See Section III.) The adjustment amount on the original JV is reduced by the amount deleted.
5. **Column 5, Adjustment Amount Processed.** The amounts in this column represent the negative adjustment records that passed the initial and mid-month TSPS edits and were processed during the mid-month processing cycle.
6. **Column 6, Amount Forfeited.** The amounts in this column represent those agency contributions that could not be returned to the agency because the 1-year limit for removing erroneous agency contributions has expired. The adjustment amount on the original JV is reduced by the amount of forfeitures.
7. **Column 7, Negative Earnings.** The amounts in this column represent negative earnings computed for those contributions whose present value is less than the original contribution amount. The adjustment amount on the original JV is reduced by any negative earnings calculated by the TSPS.

8. **Column 8, Amount Returned to Agency.** The amount returned to the agency is the amount originally submitted by the agency payroll office reduced by:

- (a) any amounts that were deleted either in the initial TSPS edit cycle or during the mid-month processing cycle (Columns 3 and 4),
- (b) any amounts that were forfeited during the mid-month processing cycle (Column 6), and
- (c) any negative earnings calculated by the TSPS (Column 7).

C. If the amount returned to the agency payroll office is different from the adjustment amount originally submitted, there may be agency accounting reconciliation required. To facilitate the agency reconciliation process, Report TSPS 31504, Report of Negative Adjustments Processed (see Section II), and Report TSPS 31508, Report of Deleted Negative Adjustment Transactions, are attached to Report TSPS 31507. These two reports serve as subsidiary reports to Report TSPS 31507 and provide the detail of each negative adjustment record processed or deleted during the mid-month processing cycle.

II. Report TSPS 31504, Report of Negative Adjustments Processed

- A. Report TSPS 31504 is used to identify those individual transactions that reduce the amount that is returned to the agency payroll office due to forfeitures or negative earnings. This report is prepared to facilitate the accounting reconciliations that may be required when the full amount of a negative adjustment is not returned to the agency payroll office. Report TSPS 31507 is used to balance and reconcile the agency's accounting records; Report TSPS 31504 is used to identify each negative adjustment record for which the full value is not returned to the agency payroll office. Report TSPS 31504 should be used by agency payroll offices to identify those individual accounts that may require an adjustment to the agency's accounting records. See Attachment 2 for a sample of Report TSPS 31504.
- B. Report TSPS 31504 contains only those negative adjustment records that passed the initial TSPS edits, as well as the TSPS edits applied when negative adjustment records are processed at mid-month. The report summary is displayed at the beginning of the report. The amounts in the Summary section match the respective amounts on Report TSPS 31507. Immediately following the Summary section is a detailed list, in social security number order, of those negative adjustment records that contain amounts that may require an adjustment to the agency's accounting records (i.e., those records for which the agency received less than the amount submitted due to forfeitures or negative earnings). Following these records is a list, in social security number order, of the remaining negative adjustment records that were processed for that JV. The amounts returned to the agency for each of these remaining records will

be the same as the amount of the negative adjustment records submitted (i.e., the remaining negative adjustment records will not require an adjustment to agency accounting records).

- C. The detail portion of the report gives the participant's name and social security number, the effective date of the contribution being adjusted, the date the contribution being adjusted was posted to the participant's account (i.e., the process date), and the participant's department/agency code.
- D. There are five columns on the report as follows:
1. **Column 1, Source.** This column identifies the contribution source that is being adjusted (i.e., employee, basic, or matching).
 2. **Column 2, Adjustment Submitted.** The amounts contained in the Summary section will match the amount in the Adjustment Amount Processed column on Report TSPS 31507 (Column 5). The amount in the Detail section represents the amount of each negative adjustment record that was submitted by the agency payroll office with the relevant JV and passed the initial and mid-month TSPS edits.
 3. **Column 3, Amount Forfeited.** This amount represents those contributions that could not be returned to the agency because the 1-year limit for removing erroneous agency contributions has expired. The adjustment amount on the original JV is reduced by the amount forfeited. The amount in the Summary section will match the amount in the Amount Forfeited column on Report TSPS 31507 (Column 6).
 4. **Column 4, Negative Earnings.** The amounts contained in this column represent the amounts of investment loss attributable to those contributions whose present values are less than the original contribution amounts. The adjustment amount on the original JV is reduced by the amount of negative earnings calculated by the TSPS. The amount contained in the Summary section will match the amount in the Negative Earnings column on Report TSPS 31507 (Column 7).
 5. **Column 5, Amount Returned to Agency.** The amount returned to the agency is the amount originally submitted by the agency payroll office reduced by any amounts that were deleted or forfeited, or any negative earnings that were calculated by the TSPS. The amount contained in the Summary section will match the amount in the Amount Returned to Agency column on Report TSPS 31507 (Column 8).

III. Report TSPS 31508, Report of Deleted Negative Adjustment Transactions

- A. Report TSPS 31508 is produced during the mid-month processing cycle to provide the agency payroll office with information on those records that contained errors and were deleted. The negative adjustment record, as submitted by the agency payroll office, is displayed by the source of contributions (i.e., employee, basic, and matching). See Attachment 3 for a sample of Report TSPS 31508.
- B. One of the following error messages will be displayed on TSPS Report 31508 when a negative adjustment record is deleted:
1. **“There Is No Employee Data Record Established On The Database For The SSN.”** This error message will be displayed if the SSN cannot be located on the TSP database.
 2. **“Basic Contributions Have Been Forfeited. No Adjustment To Basic Contributions Allowed.”** When an employee separates and forfeits the Agency Automatic (1%) Contributions (i.e., basic contributions), pursuant to 5 U.S.C. 8432(g), because he or she had less than 2 (or 3) years of service, these contributions cannot be returned to the agency. A negative adjustment record that is submitted to remove basic contributions that have been forfeited will be deleted.
 3. **“Account has Been Withdrawn By Participant. No Adjustment Allowed.”** When an employee separates and withdraws his or her TSP account, a negative adjustment record cannot be processed because there are no funds remaining in the participant’s account.
 4. **“Present Value Of The Adjustment Exceeds The Amount Currently In That Source Of Contributions.”**
 - (a) When the present value of the contribution being adjusted is calculated and applied to that source of contributions, if there is insufficient money in the participant’s account (for that source of contributions) to remove the amount calculated, the negative adjustment record will be deleted.
 - (b) For example, assume the present value of a \$100 Employee Contribution is \$95. If the participant has received a TSP loan from his or her account and as a result of the loan the balance of Employee Contributions is currently less than \$95, that negative adjustment record cannot be processed. The payroll office may resubmit the negative adjustment record when loan payments in an amount equal to or greater than the amount of the negative adjustment record have been processed by the payroll office and posted to the participant’s account.

(c) Asterisks are placed under the investment fund in the source of contributions that contains the error.

5. **“Adjustment Amount Exceeds The Amount Of The Previous Contribution(s) And Negative Adjustment(s) For That Effective Date.”**

(a) This error message is displayed when the agency is attempting to remove an amount that exceeds the amount that has been deposited for that effective date. A negative adjustment record must be in an amount equal to or less than the amount of the contribution for that effective date. If the negative adjustment record is for more than the amount of the contribution, that negative adjustment record is deleted. For the purposes of this edit, the amount of the contribution is reduced by the amount of all prior negative adjustment records having the same effective date.

(b) For example, assume a payroll office submits an Agency Matching Contribution of \$10 with an effective date of April 23, 1990, and then submits a negative adjustment record for \$4 for the same effective date. A subsequent negative adjustment record for \$8 with an effective date of April 23, 1990, would be deleted by the TSPS because, even though the amount of this negative adjustment record is less than the original contribution, a negative adjustment record for \$4 has already been processed with an effective date of April 23, 1990. Only \$6 may be adjusted by the payroll office for the April 23, 1990, effective date.

(c) Asterisks are placed under the investment fund in the source of contributions that contains the error.


CLYDE G. McSHAN, II
Director

Attachments

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